

Developments in Business Simulation & Experiential Exercises, Volume 9, 1982

ANALYSIS OF A BUSINESS SIMULATION EXERCISE: ORGANIZATIONAL SURVIVAL AND SUCCESS

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ABSTRACT

Although simulations focusing on such group decisions as those concerned with "The NASA Moon Project," "Desert Survival," "Anartica," and others, have been developed and used in seminars and classrooms for years, an organizational simulation that reviews factors that affect an individual's success and survival in an organization has not, to our knowledge, been done, and, as a result, these factors are subject to considerable debate. This simulation and study was done in an attempt to provide empirical data on the subject.

OBJECTIVES AND PROCEDURE

The objective of this study was to determine which factors were perceived as most important by individuals for organizational survival and success. A list of twenty factors known to affect success was compiled. Demographic data allowing categorization of people was also compiled. This information was incorporated into a questionnaire (Appendix 1) which was distributed with a cover letter to employees in organizations throughout the United States. Each organization was asked to distribute the questionnaire to a cross section of employees. To date, a total of 662 responses have been received and analyzed.

Data from the completed questionnaires was coded, key punched, and processed on the computer at The University of Toledo, using the SPSS program to separately analyze each of the twenty factors.

ANALYSIS OF RESULTS

The mean response was computed for each factor. These factors were then ranked in order of mean response. (See Appendix 2.) Appendix 3 summarizes the percent of each success factor explained by the demographic factors jointly and by the single factor, explaining the largest part of the variance.

The success factor most explained by demographic factors is personal appearance (20.6%), followed by willingness to compromise (17.9%), and technical skills and ability (17.3%). Seven other factors are 8% to 10% explained, six are less than 5% explained, and the remaining four have no significant relationship with the demographic factors. The relationships between the various demographic and success factors are explained below.

Factor: (01) Godfather (Sponsor)
(8.8% explained; Rank = 15)

The demographic factor most closely explaining the importance assigned this success factor is the type of organization. Manufacturing employees tend to consider this factor more important, and males tend to

consider it more important than do females. This factor tends to be considered more important as level of satisfaction, income, occupational status, education, and period employed increase. There are many ways to interpret these results. Females are new to the idea that one may advance and that it is socially acceptable to want to do so. They are not as familiar with the idea of a mentor as men are. Since hospitals employ a considerably higher percentage of females, the male viewpoint has less impact. Since we tend to become like the persons with whom we associate, females employed by an organization employing a high percentage of males would tend to develop views more like those of the males. It is interesting that as one moves up and becomes more satisfied, this factor becomes more important. The successful people may have realized how important a mentor is and may have benefited from one. Those who have not had this advantage, the majority, may not realize how much of a difference this advantage can make.

Factor: (02) Performance
(9.0% explained; Rank = 1)

The demographic factor most closely explaining the importance assigned this success factor is age. Older employees tend to consider this factor more important. This factor tends to be considered less important as ambition level and occupational status increase, by females, and by hospital employees. It tends to be considered more important as level of satisfaction and income increase. Older employees may have realized that performance is really the bottom line upon which they are judged. Hospital employees tend to see other things as very important also, diluting the weight given to performance. As one becomes wealthier and more satisfied, there is a natural tendency to think that it was a result of one's truly excellent performance, whether it really was or not. One would rather not consider the part luck may have played, and other factors, such as communication skill or personality merely serve as tools contributing to one's performance.

Factor: (03) Personal Appearance
(20.6% explained; Rank = 8)

The demographic factor most closely explaining the importance assigned this success factor is education level. More highly educated employees tend to consider it less important. It also tends to be considered less important in larger organizations, higher status occupations, and as period employed, income level, and ambition level increase. It tends to be considered more important as level of satisfaction and age increase and by females. Employees in positions requiring a high level of education have put a lot of time, effort, and money into their education and apparently feel that the essence of what they have to offer is more important than the image. More successful people are not concentrating on it. However, satisfied people may tend to realize that it has made a difference, while older people and females worry that it will.

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Factor: (04) Ability to Make Tough Business Decisions (Unexplained; Rank = 9)

No demographic factor had any significant bearing on importance assigned this success factor.

Factor: (05) High Identity Organizational Activities (9.2% explained; Rank = 18)

The demographic factor most closely explaining the importance assigned this success factor is ambition level. More ambitious employees tend to consider it more important. It also tends to be considered more important as education level and occupational status increase. It tends to be considered less important in larger organizations, by females, and as level of satisfaction and age increase. Employees who are ambitious may realize that it does not matter how good they are if nobody who can make a difference in their career ever notices. Highly-educated employees who already have high status jobs would also tend to feel this way. Females, as a group, may have lower aspirations (if measured on an absolute rather than subjective scale) and therefore feel less need to be noticed outside the department, as would satisfied employees and older employees who may have lowered their aspirations or reached their peak.

Factor: (06) Communications Skills (Unexplained; Rank = 3)

No demographic factor had any significant bearing on the importance assigned this success factor. It is apparently widely accepted throughout the population that communication skill is extremely important.

Factor: (07) MBA Degree (Unexplained; Rank = 16)

No demographic factor had any significant bearing on the importance assigned this success factor. It is interesting that the more highly educated people do not feel this is more important than do the rest. Perhaps this is an instance of an indirect effect. The degree in and of itself may not be an important factor in one's success, but the things one must learn in order to achieve it may be. The high income group holds a disproportionate share of the MBA degrees.

Factor: (08) Work Long Hours (5.1% explained; Rank = 19)

The demographic factor most closely explaining the importance assigned this success factor is income level. Higher income employees tend to consider it more important, as do more highly educated employees. More ambitious employees, however, consider it less important. No other demographic factor had any significant bearing. The more successful people might well have put in long hours for which they received no extra pay at the time, but which they feel paid off. The more ambitious people apparently consider other factors as more important, relegating this one to a lower position in the hierarchy.

Factor: (09) Work Experience (2.5% explained; Rank = 6)

The demographic factor most closely explaining the importance assigned this success factor is education level. More highly educated employees tend to consider it less important. No other demographic factor had any significant bearing. With so much vested in their education, it would be natural to see experience as less important, since the two so

often go hand in hand with one compensating for the other.

Factor: (10) Willingness to Compromise (17.9% explained; Rank = 12)

The demographic factor most closely explaining the importance assigned this success factor is educational level. More highly educated employees tend to consider it less important. It tends to be considered less important as occupational status, size of organization, period employed, age, and satisfaction level increase. Perhaps highly educated and more successful and satisfied people have learned how to accomplish their goals without compromising by creatively figuring out how to meet the needs of those who are obstacles to their goals so that the needs of both may be met without the necessity of compromise. Ambitious people and females may be more sensitive to the needs of others. Non-assertive females and ambitious people "who will do anything to get ahead" are a cliché.

Factor: (11) Health and Energy Level (8.0% explained; Rank = 10)

The demographic factor most closely explaining the importance assigned this success factor is sex. Females considered it more important, as do older employees. However, it tends to be considered less important as ambition, satisfaction level, period employed, and occupational status increase. Females working in the health care field would naturally view health as very important. Females employed anywhere usually have home responsibilities that consume more of their time and energy than that required by males. Many females have the equivalent of two jobs. Health tends to suffer with age and with older employees, may be conspicuous by its absence. One takes health for granted until one becomes ill or until things start going wrong with one's body. Then it becomes important. Satisfied, long-service employees in high status jobs probably don't think about it so much, as long as they are healthy. Physical exertion is probably not as necessary to these people.

Factor: (12) Willingness to Relocate (4.3% explained; Rank = 20)

The demographic factor most closely explaining the importance assigned this success factor is type of organization. Manufacturing employees tend to consider it more important. The fact that type of organization accounts for only approximately 3.3% of the variance indicates that hospital employees must have misconstrued the question to mean relocation to a different department, or perhaps were thinking not in terms of success within their organization, but within the health care industry. Females less important than males. No had any significant bearing on this success factor. Females, aspire to positions that would since many have husbands' jobs still the rare exception where considered the factor other demographic factor the importance assigned by and large, do not require relocation, to consider and it is a wife accepts a transfer and the husband goes along and finds another job when he gets there.

Factor: (13) Personality (Unexplained; Rank = 2)

No demographic factor had any significant bearing on the importance assigned this success factor. Like communication skill, it is widely accepted throughout the population as very important.

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Factor: (14) Spouse and Family (2.8% explained; Rank = 14)

The only demographic factor having any significant bearing on the importance assigned this factor is size of organization. Employees of smaller organizations tend to consider it more important. In this sample, the hospital was the smaller organization. Operating twenty-four hours a day, many of these employees work a 3:00 to 11:00 p.m. or 11:00 p.m. to 7:00 a.m. shift. A spouse and family who were not understanding and cooperative would be a serious detriment.

Factor: (15) Technical Skills and Ability (17.3% explained; Rank = 4)

The demographic factor most closely explaining the importance assigned this success factor is occupation. Employees in higher status occupations tend to consider it more important. It is also considered more important by females, by hospital employees, and as period employed, level of satisfaction, income, and age increase; and less important as ambition level increases. This factor is obviously more important where differences in it matter. In lower level jobs, it really is less important. More successful and satisfied employees would tend to feel this more important, since it is something over which they feel they have greater control and can thus point to with pride.

Factor: (16) Stay Cool Ability (9.0% explained; Rank = 7)

The demographic factor most closely explaining the importance assigned this success factor is sex. Females tend to consider it more important. It tends to be considered less important as period employed and age increase and by larger organizations. It tends to be considered more important as occupational status, satisfaction, and ambition level increase. Females who lose their cool are judged considerable more harshly by our society than are males who do likewise. A female who breaks down and cries is viewed as less capable than a male who loses his temper and yells, two stereotypes. Females must work at compensating for the image that females are emotional and therefore not suited to high level positions. The life-and-death everyday situations encountered in a hospital require clear, quick, unemotional thinking. A nurse who could not stay cool would never make it. In general, older people and those on the job longer feel less need to hide anger.

Factor: (17) Human Relations Ability (2.6% explained; Rank = 5)

The only demographic factor having any significant bearing on the importance assigned this success factor is income level. Higher income employees tend to consider it more important. These people usually accomplish their work by utilizing the efforts of other people. Therefore, the ability to relate to other people, to motivate them, and to deal effectively with them becomes more important as one rises in the organization.

Factor: (18) Business and Social Contacts (4.5% explained; Rank = 17)

The demographic factor most closely explaining the importance assigned this success factor is occupation. Higher occupational status employees tend to consider it less important. More ambitious employees tend to consider it more important. No other demographic factor had any significant bearing on importance assigned this factor. This factor probably appears, to those who feel they are lacking, to be more important than it really is. Ambitious employees may overrate it.

Factor: (19) Ability to Judge People (8.3% explained; Rank = 11)

The demographic factor most closely explaining the importance assigned this success factor is sex. Males tend to consider it more important. It also tends to be considered more important as ambition and income level and period employed increase and less important as satisfaction level and age increase. Males may tend to be less trusting of others and more territorial, creating a greater need for this factor. Ambitious people and higher income people may find it necessary to do more of it and incorrect judgments can have greater impact. Satisfied and older people may have taken a more philosophical view.

Factor: (20) Power (9.7% explained; Rank = 13)

The demographic factor most closely explaining the importance assigned this success factor is education level. More highly educated employees tend to consider this factor more important. It also tends to be considered more important as age, ambition level, income level, and period employed increase. It tends to be considered less important as occupational status and satisfaction level increase, and by females. Educated people have learned about power, as have older people, ambitious people, and those who have risen to high income groups. Satisfied people and females may not be as aware of the power struggles.

SUMMARY AND CONCLUSION

Excellent Performance is clearly the most important factor, followed closely by Personality, Communication Skills, Technical Skills, Ability to Be Current, and Human Relations Skills. Viewed as least important, clearly, are High Identity Organizational Activities, Willingness to Work Long Hours, and Willingness to Relocate.

APPENDIX 1

Demographic Data

1. Type of Organization You Are Employed By:
Check one:
 - Industrial
 - Retail
 - Service
 - Government (Federal, State or Local)
 - University or College
 - Hospital
 - Labor Union
 - Other (Please specify)
2. Size of Organization You Are Employed By:
 - 1 to 49 employees
 - 50 to 99 employees
 - 100 to 499 employees
 - 500 to 999 employees
 - 1,000 to 4,999 employees
 - 5,000 to 9,999 employees
 - 10,000 to 29,999 employees
 - 30,000 to 99,999 employees
 - 100,000 and over

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- | | <u>Business Success & Survival Factors</u> | <u>Mean Rating</u> |
|---|--|--------------------|
| 3. Age: | 10. Your Health & Energy Level..... | 9.2 |
| ___ Under 21 | 11. Ability to Judge People..... | 10.2 |
| ___ 21 to 25 | 12. Your Ability/Willingness to Compromise | |
| ___ 26 to 34 | Values/Goals for Organization's Values! | |
| ___ 35 to 44 | Goals..... | 10.7 |
| ___ 45 to 54 | 13. Power..... | 10.8 |
| ___ 55 to 64 | 14. Your Wife/Husband and Family..... | 13.3 |
| ___ 65 or over | 15. A "Godfather" (sponsor)..... | 13.7 |
| 4. Sex: | 16. An M.B.A. Degree..... | 14.1 |
| ___ Male | 17. Your Business and Social Contacts..... | 14.6 |
| ___ Female | 18. High identity Organizational | |
| | Activities..... | 15.1 |
| 5. Education: | 19. Work 6 or 7 Days a Week, 9 to 10 | |
| ___ Attended high school or trade school, but did not | Hours a Day..... | 15.1 |
| ___ graduate | 20. Willingness to Relocate..... | 15.1 |
| ___ Graduated from high school or trade school | | |
| ___ Some college, junior college or community and | | |
| ___ technical college | | |
| ___ Graduated from a two year college | | |
| ___ Graduated from a four year college or university | | |
| ___ Some graduate work | | |
| ___ Have a graduate degree | | |
| ___ Other (please specify) | | |
| 6. Personal income: (last year before taxes) | | |
| ___ \$7,500 to \$9,999 | | |
| ___ \$10,000 to \$14,999 | | |
| ___ \$15,000 to \$19,999 | | |
| ___ \$20,000 to \$24,999 | | |
| ___ \$25,000 to \$34,999 | | |
| ___ \$35,000 to \$49,999 | | |
| ___ Over \$50,000 | | |
| 7. Occupation: (your present position) | | |
| ___ Professional (e.g., doctor, lawyer, nurse, teacher) | | |
| ___ White collar (e.g., managers - top, middle, | | |
| ___ supervisors) | | |
| ___ Clerical (e.g., receptionist, secretary, | | |
| ___ administrative assistant) | | |
| ___ Blue collar (e.g., production employee, | | |
| ___ janitorial) | | |
| 8. Years Employed in a Full-Time Capacity: | | |
| ___ Under one year | | |
| ___ One to five years | | |
| ___ Five to nine years | | |
| ___ Ten to fourteen years | | |
| ___ Fifteen to twenty years | | |
| ___ More than twenty years | | |

APPENDIX 3

Multiple Regression % of Variance Explained

<u>Factor</u>	<u>Composite Rank</u>	<u>Total % Explained</u>	<u>% Explained By Single Factor</u>
Personal Appearance	8	20.6	11.0
Compromise	12	17.9	9.6
Skills & Ability	4	17.3	9.4
Power	13	9.7	3.9
High ID Activities	18	9.2	4.0
Performance	1	9.0	4.0
Stay Cool	7	9.0	3.6
Mentor	16	8.8	6.0
Judge People	11	8.3	5.4
Health & Energy	10	8.0	2.7
Work Long Hours	19	5.1	2.5
Bus./Soc. Contacts	17	4.5	3.4
Relocate	20	4.3	3.3
Spouse/Family	14	2.8	2.8
Human Relations	5	2.6	2.6
Work Experience	6	2.5	2.5
Tough Decisions	9	0.0	-
Communication	3	0.0	
MBA Degree	16	0.0	
Personality	2	0.0	

Note: The last four factors listed above had no significant relationship with the demographic factors.

APPENDIX 2

Business Success and Survival Factors in Order of Importance (a = 662)

<u>Business Success & Survival Factors</u>	<u>Mean Rating</u>
1. Excellent Performance Record.....	5.6
2. Your Personality.....	5.9
3. Your Communication Skills.....	6.2
4. Your Technical Skills/Ability	
to Be Current.....	7.5
5. Your Human Relations Skills.....	7.5
6. Significant Work Experience and	
Assignments Obtained Both Inside	
and Outside the Company.....	7.6
7. Your Ability to "Stay Cool".....	8.0
8. Your Personal Appearance.....	8.7
9. Your Ability to Make Tough Business	
Decisions.....	8.9